kaiser commission on KEY FACTS
medicaid and the uninsured
THE HENRY J. KAISER FAMILY FOUNDATION

September 2012

Five Facts About the Uninsured Population

Nearly 48 million nonelderly Americans were uninsured in 2011, a decline of 1.3 million since 2010. Decreasing the number of uninsured is a key goal of the 2010 Patient Protection and Affordable Care Act (ACA), which will provide Medicaid or subsidized coverage to qualifying individuals with incomes up to 400% of poverty beginning in 2014. This brief provides basic facts that explain who the uninsured are and the effects of being uninsured.

1) Most of the nation's 47.9 million uninsured have low- or moderate-incomes.

Individuals below poverty are at the highest risk of being uninsured, and this group comprises 38% of all the uninsured (the poverty level for a family of four was $22,350 in 2011). In total, nine in ten of the uninsured are in low- or moderate-income families, meaning they are below 400% of poverty. Health insurance is expensive, and many cannot afford the premiums without sizable employer contributions. In 2012, the average cost of employer-sponsored family coverage was $15,745.

2) More than three-quarters of the uninsured are in a working family.

Uninsured workers typically are not offered insurance through their own or a family member's employer. Additionally, persistently high unemployment since 2008 has put many people's employer-sponsored coverage at risk. Meanwhile, many workers who are offered employer-sponsored coverage saw the cost of their share of premiums rise in the last year.

3) Medicaid and the Children's Health Insurance Program (CHIP) provide a key source of coverage for many low-income families who lack access to other affordable coverage.

Enrollment in public coverage has increased steadily in recent years reflecting the poor economy. In 2011, there were almost 47 million people below age 65 enrolled in Medicaid and CHIP, although many low-income adults remain ineligible for the program. Even amid budget pressures, Medicaid eligibility has remained stable due to the ACA requirement for states to maintain eligibility levels until the broader coverage expansions take effect. The continued availability of Medicaid coverage has played a key role in preventing more people from becoming uninsured during the weak economy, especially children.

4) About one-quarter of uninsured adults go without needed care due to cost compared to only four percent of those with private insurance.

The uninsured suffer from negative health consequences due to their lack of affordable access to necessary medical care. They are less likely than those with insurance to receive preventive care and services for major health conditions—which leads to more serious health problems for many and significantly higher mortality rates.

5) Medical bills are a burden for the uninsured and frequently leave them with debt.

The uninsured often face unaffordable medical bills when they do seek care. When they receive care, the uninsured pay for more than one-third of their care out-of-pocket and are often charged higher amounts for their care than the insured pay. Most of the uninsured have low or moderate incomes and have little, if any, savings; high medical bills can be an additional source of financial strain for families who are already struggling to make ends meet.

1330 G STREET, NW, WASHINGTON, DC 20005
PHONE: 202-347-5270, FAX: 202-347-5274
WWW.KFF.ORG/KCMU

1) Most of the nation's 47.9 million uninsured are low- or moderate-income.

Individuals below poverty are at the highest risk of being uninsured, and this group accounts for 38% of all the uninsured (the poverty level for a family of four was $22,350 in 2011) (Figure 1). In total, nine in ten of the uninsured are in low- or moderate-income families, meaning they are below 400% of poverty. Since the average annual cost of employer-sponsored family coverage in 2012 was $15,745, many cannot afford the premiums without sizable employer contributions. The Affordable Care Act (ACA) targets these individuals through broader Medicaid eligibility and private coverage subsidies for eligible individuals with incomes up to 400% of poverty.

Key Details:

- The uninsured report that cost and access pose a major barrier to purchasing coverage. In 2011, 69% of adults said that one of the reasons they are uninsured is because the cost is too high or they lost their job, compared to 2% who said they are uninsured because they do not need coverage.[1]

- The uninsured span the age spectrum (Figure 1). However, children are the least likely to be uninsured because they are more likely to qualify for public coverage through Medicaid or the Children's Health Insurance Program. The uninsured rate among young adults was 27.9% in 2011, a decrease in recent years due in part to the ACA provision allowing them to remain on a parent's private health plan until age 26. The change in coverage for this age group accounted for about 40% of the overall decline in the number of uninsured. However, young adults continue to have a high uninsured rate compared to other age groups.

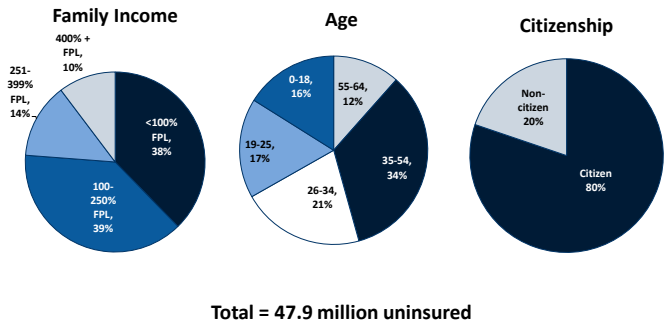
- About eight in ten of the uninsured are U.S. citizens and 19.8% are non-citizens (Figure 1). Uninsured non-citizens include both lawfully present and undocumented immigrants. Undocumented immigrants and legal immigrants residing in the U.S. for less than five years are ineligible for federally funded health coverage.

- Uninsured rates vary widely by state and by region, with individuals living in the South and West being the most likely to be uninsured.

- In 2011, nearly three-quarters of uninsured nonelderly people were without insurance for more than a year.[2] The uninsured often are without coverage because they do not have access to employer-sponsored insurance. The continued slow economic recovery may contribute to a large number of long-term uninsured as more individuals are unemployed for long periods of time.

Figure 1

Characteristics of the Nonelderly Uninsured, 2011



Total = 47.9 million uninsured

The federal poverty level was $23,050 for a family of four in 2011. Data may not total 100% due to rounding.
SOURCE: KCMU/Urban Institute analysis of 2012 ASEC Supplement to the CPS.

2) More than three-quarters of the uninsured are in a working family.

Over three-quarters of the 47.9 million uninsured in the U.S. are in working families (Figure 2). Most uninsured workers are self-employed or work for small firms where health benefits are less likely to be offered.[3] Low-wage workers who are offered coverage often cannot afford their share of the premiums, especially for family coverage. [4,5]

Key Details:

- The share of the nonelderly population with employer-sponsored coverage declined steadily between 2000 and 2010. In 2011, this trend ended as the share with employer-sponsored coverage held nearly constant at 56%.

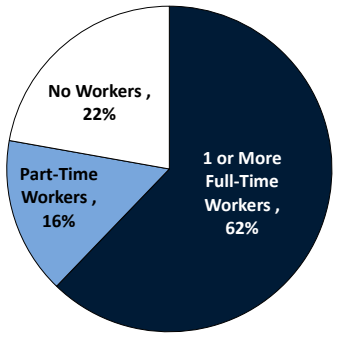
- Roughly six in ten of the uninsured have at least one full-time worker in their family, and 15.6% have only part-time workers (Figure 2). Part-time jobs are less likely to offer health insurance. In 2011, many people that held part-time positions did so because their hours had been cut or they were unable to find full-time work.[6]

- Workers usually enroll in employer-sponsored health insurance if they are eligible.[7] However, it has become increasingly difficult for many workers to afford coverage. In 2012, the average annual total cost of employer-sponsored family coverage was $15,745, and the share of the premium paid by workers was 28%. Between 2002 and 2012, premiums have increased by 97%, three times as fast as wages (33%) and inflation (28%).[8]

- Uninsured rates vary across industries, from 36% in agriculture to just 7% in public administration.[9] But even in industries where uninsured rates are lower, the gap in health coverage between blue and white-collar workers is often two-fold or greater. More than 80% of uninsured workers are in blue-collar jobs.

Figure 2

Nonelderly Uninsured by Family Work Status, 2011



Total = 47.9 Million Uninsured

SOURCE: KCMU/Urban Institute analysis of 2012 ASEC Supplement to the CPS.

3) Medicaid and CHIP provide a key source of coverage for many low-income families who lack access to other affordable coverage

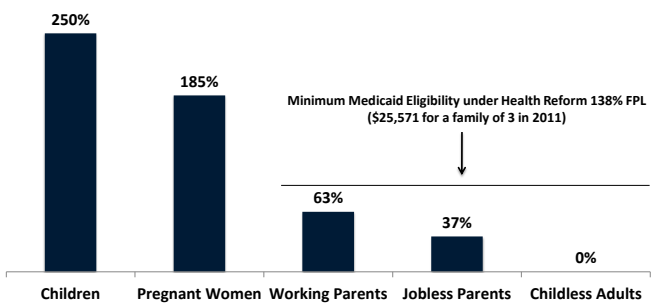
Medicaid and CHIP provide a key source of coverage to millions of low-income individuals who lack access to other affordable coverage, preventing more people from being uninsured. The share of people covered by the program has increased significantly in recent years due to the weak economy and loss of jobs, which has led to declining family incomes and decrease in employer-sponsored coverage among families. The ACA will expand Medicaid coverage to many currently uninsured low-income adults in 2014. It also included provisions designed to keep Medicaid eligibility stable until the broader coverage expansions take effect in 2014.

Key Details:

- Enrollment in public coverage has increased steadily in recent years and helped to buffer the loss of job-based coverage. In 2011, approximately 47 million nonelderly individuals were enrolled in Medicaid and CHIP. Historically, Medicaid has only been available to low-income children, parents, pregnant women, people with disabilities, and the elderly. While states have increasingly expanded eligibility for children over time, eligibility for parents remains much more limited and, in most states, adults without dependent children are ineligible regardless of income (Figure 3).
- Confusion over who qualifies for Medicaid or CHIP and an enrollment process that can be cumbersome leave nearly one-third of the uninsured without coverage despite being eligible for these programs. About half of the eligible but uninsured are children.[10] The ACA also will significantly simplify and streamline Medicaid eligibility and enrollment processes to facilitate enrollment of eligible individuals.
- Beginning in 2014, the ACA provides for the expansion of Medicaid eligibility to adults with incomes up to 138% FPL ($25,571 for a family of three in 2011), which would make millions of currently uninsured adults newly eligible for the program. If all states implement the Medicaid expansion, eligibility would increase in nearly 40 states for parents and in nearly every state for other adults.[11] If a state does not implement the expansion, poor uninsured adults will be left out of coverage.
- Medicaid and CHIP restrict eligibility for many lawfully residing immigrants during their first five years in the U.S. However, a number of states have taken up a recent federal option to eliminate this five-year waiting period for lawfully-residing children and pregnant women.[12] Undocumented immigrants are ineligible for Medicaid and CHIP coverage.[13]

Figure 3

Median Medicaid/CHIP Eligibility Thresholds, January 2012



SOURCE: Based on the results of a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2012

4) About one-quarter of uninsured adults go without needed care due to cost.

About one-quarter (26%) of uninsured adults go without needed care each year due to cost (Figure 4). Studies repeatedly demonstrate that the uninsured are less likely than those with insurance to receive preventive care and services for major health conditions and chronic diseases—and many suffer serious consequences.[14, 15, 16, 17]

Key Details:

- Health providers can choose to not provide care to the uninsured. Only emergency departments are required by federal law to screen and stabilize all individuals. However, the uninsured are not necessarily more likely to use the emergency room than those with insurance.[18] If the uninsured are unable to pay for care in full, they are often turned away when they seek follow-up care for urgent medical conditions.[19]

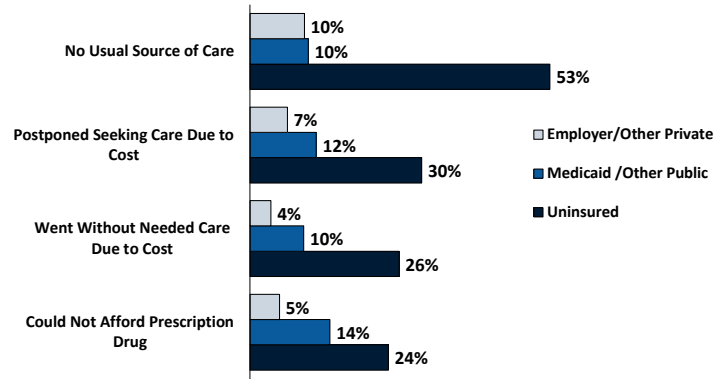
- The uninsured receive less preventive care and recommended screenings than the insured. Uninsured older adults (ages 50-64) were far less likely than their insured counterparts to report having been screened for cancer in the past five years.[20]

- Receiving needed care is especially important for the uninsured since they are generally not as healthy as those with private coverage. The uninsured are at higher risk for preventable hospitalizations and for missed diagnoses of serious health conditions.[21] After a chronic condition is diagnosed, they are less likely to receive follow-up care and as a result are more likely to have their health decline.[22] Furthermore, the uninsured also have significantly higher mortality rates than those with insurance.[23,24]

- The uninsured report higher rates of postponing care or forgoing needed care or prescriptions due to cost compared to those enrolled in Medicaid and other public programs (Figure 4). A seminal study of health insurance in Oregon found that the uninsured were less likely to receive care from a hospital or doctor than newly insured Medicaid enrollees.[25]

Figure 4

Barriers to Health Care Among Nonelderly Adults by Insurance Status, 2011



In past 12 months.
Respondents who said usual source of care was the emergency room were included among those not having a usual source of care.
All differences between uninsured and insurance groups are statistically significant (p<0.05).
SOURCE: KCMU analysis of 2012 NHIS.

5) Medical bills are a burden for the uninsured and cause serious financial strain.

The uninsured often face unaffordable medical bills when they do seek care. These bills can quickly translate into medical debt since most of the uninsured have low or moderate incomes and have little, if any, savings.

Key Details:

- The uninsured pay for more than one-third (35%) of their care out-of-pocket.[26] They are typically billed for any care they receive, often paying higher charges than the insured.[27]

- Medical bills can put great strain on the uninsured and threaten their physical and financial well-being. The uninsured are almost twice as likely (47% versus 23%) as those with health insurance coverage to have trouble paying medical bills (Figure 5).

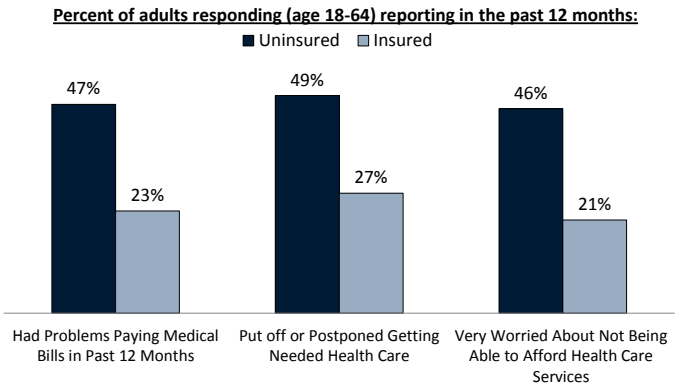
- The recent Oregon health insurance study found that the uninsured were more likely to experience financial strain from medical bills and out-of-pocket expenses than those with Medicaid coverage.[28]

- The uninsured live with the knowledge that they may not be able to afford to pay for their family's medical care, which can cause anxiety and potentially lead them to delay or forgo care. Almost half (46%) of the uninsured are not confident that they can pay for the health care services they think they need, compared to 21% of the insured (Figure 5).

- The average uninsured household has no net assets.[29] Without sufficient income or assets to pay their medical bills, uninsured individuals often see their debts accumulate while their credit ratings are compromised. One-third of uninsured adults have been contacted by a collection agency about their medical bills in the past twelve months, compared to 8% of insured adults.[30]

Figure 5

Financial Consequences of Medical Bills by Insurance Status, 2012



All differences between insured and insurance groups are statistically significant (p<0.05).
SOURCE: Kaiser Family Foundation's Health Tracking Poll: June 2012

Policy Implications

Almost 48 million nonelderly were uninsured in 2011. This represents a decrease of over 1.3 million uninsured people since 2010, the first decrease since 2007. This change resulted from small gains in public coverage and stability in private coverage. However, the number of uninsured has grown by more than 4.5 million people since the recession began in 2007. The continued weak economy contributes to the high uninsured rate. More individuals would have become uninsured were it not for the stability of coverage provided by Medicaid and CHIP.

Going without coverage can have serious health consequences for the uninsured because they receive less preventive care, and delayed care often results in more serious illness requiring advanced treatment. The major coverage provisions in the ACA take effect in 2014 and are designed to decrease the number of uninsured by expanding Medicaid, while also providing subsidies for private coverage and improving the health insurance marketplace. However, most uninsured children are currently eligible for Medicaid or CHIP and do not need to wait until 2014 to gain coverage. The expanded availability of public and private coverage in the ACA is intended to decrease the number of individuals who face the access and financial challenges that come with being uninsured. The ACA holds promise for many people who will gain access to health insurance coverage, but millions of people are struggling right now to access affordable healthcare for themselves and their families.

[1] Kaiser Commission on Medicaid and the Uninsured analysis of 2011 National Health Interview Survey data. Analysis of question "Which of these are reasons {person} stopped being covered or does not have health insurance…cost is too high…lost job or changed employers…no need for it/chooses not to have."

[2] National Center for Health Statistics. 2012. "Health Insurance Coverage: Early Release of Estimates from the National Health Information Survey, 2011." Available at: http://www.cdc.gov/nchs/data/nhis/earlyrelease/Insur201206.pdf

[3] Kaiser Commission on Medicaid and the Uninsured/Urban Institute analysis of the 2012 ASEC Supplement to the CPS.

[4] Kaiser Family Foundation and Health Research and Educational Trust, 2012, "Employer Health Benefits 2012 Annual Survey."

[5] State Health Access Data Assistance Center (SHADAC). 2011. "State-Level Trends in Employer-Sponsored Health Insurance: A State-by-State Analysis." Available at: http://www.shadac.org/files/shadac/publications/ESI_Trends_Jun2011.pdf

[6] Bureau of Labor Statistics. Table A-8. Employed Persons by Class of Worker and Part-Time Status. May 2011-May 2012. Available at: http://www.bls.gov/news.release/pdf/empsit.pdf

[7] P. Cunningham, S. Artiga and K. Schwartz, 2008 "The Fraying Link Between Work and Health Insurance: Trends in Employer-Sponsored Insurance for Employees, 2000-2007." (#7840 November).

[8] Kaiser Family Foundation and Health Research and Educational Trust, 2012, "Employer Health Benefits 2012 Annual Survey."

[9] KCMU/Urban Institute analysis of 2012 ASEC Supplement to the CPS.

[10] L. Dubay and A. Cook, 2009, "How Will the Uninsured Be Affected by Health Reform?" Kaiser Commission on Medicaid and the Uninsured (#7971). Available at: http://www.kff.org/healthreform/7971.cfm

[11] The Patient Protection and Affordable Care Act extends Medicaid eligibility to 133% of poverty, but a special income deduction equal to five percentage points of the poverty level effectively raises the eligibility level to 138% of poverty.

[12] M. Heberlein et al., 2012, "Performing Under Pressure: Annual Findings of a 50-State Survey of Eligibility Rules, Enrollment, and Renewal, and Cost-Sharing Policies in Medicaid and CHIP, 2011-2012." Kaiser Commission on Medicaid and the Uninsured (#8272). Available at: http://www.kff.org/medicaid/8272.cfm

[13] Kaiser Family Foundation, 2012. "Key Facts on Health Coverage for Low-Income Immigrants Today and Under Health Reform."(#8279; February). http://www.kff.org/uninsured/8279.cfm

[14] Wilper et al., 2009, "Health Insurance and Mortality in US Adults." *American Journal of Public Health,* 99(12) 2289-2295.

[15] Collins et al., 2011, "Help on the Horizon: How the Recession Has Left Millions of Workers Without Health Insurance, and How Health Reform Will Bring Relief" The Commonwealth Fund. Available at: http://www.commonwealthfund.org/Surveys/2011/Mar/2010-Biennial-Health-Insurance-Survey.aspx

[16] J. Hadley, 2007, "Insurance Coverage, Medical Care Use, and Short-term Health Changes Following an Unintentional Injury or the Onset of a Chronic Condition," *JAMA* 297(10):1073-84.

[17] S. Rhodes et al., 2012. "Cancer Screening—United States, 2010." Centers for Disease Control. Available at: http://www.cdc.gov/mmwr/pdf/wk/mm6103.pdf

[18] Newton et al. 2008. "Uninsured Adults Presenting to US Emergency Departments: Assumptions vs. Data", *JAMA* 300(16):1914-24.

[19] B. Asplin, et al, 2005, "Insurance Status and Access to Urgent Ambulatory Care Follow-up Appointments.," *JAMA* 294(10):1248-54.

[20] Collins et al., 2011.

[21] Institute of Medicine, 2002. *Health Insurance is a Family Matter*. Washington, DC.

[22] J. Hadley, 2007.

[23] Wilper et al., 2009.

[24] Institute of Medicine, 2009. *America's Uninsured Crisis: Consequences for Health and Health Care.* Washington, DC: National Academies Press. p. 60-63.

[25] Finkelstein et al., 2011, "The Oregon Health Insurance Experiment: Evidence From the First Year", National Bureau of Economic Research. Available at http://www.nber.org/papers/w17190.

[26] J. Hadley, J. Holahan, T. Coughlin, and D. Miller, 2008 "Covering The Uninsured In 2008: Current Costs, Sources Of Payment, And Incremental Costs" Health Affairs 27 (5) w399 (published online 25 August 2008).

[27] G. Anderson, 2007, "From 'Soak The Rich' To 'Soak The Poor': Recent Trends In Hospital Pricing." *Health Affairs* 26(4): 780-789.

[28] Finkelstein et al., 2011, "The Oregon Health Insurance Experiment: Evidence From the First Year", National Bureau of Economic Research. Available at: http://www.nber.org/papers/w17190.

[29] P. Jacobs and G. Claxton, "Comparing the Assets of Uninsured Households to Cost Sharing Under High Deductible Health Plans," *Health Affairs* 27(3):w214 (published online 15 April 2008).

[30] Kaiser Family Foundation's Health Tracking Poll: June 2010. Available at: http://www.kff.org/kaiserpolls/8082.cfm

This publication (#7806-05) is available on the Kaiser Family Foundation's website at www.kff.org.

The Kaiser Commission on Medicaid and the Uninsured provides information and analysis on health care coverage and access for the low-income population, with a special focus on Medicaid's role and coverage of the uninsured. Begun in 1991 and based in the Kaiser Family Foundation's Washington, DC office, the Commission is the largest operating program of the Foundation. The Commission's work is conducted by Foundation staff under the guidance of a bipartisan group of national leaders and experts in health care and public policy.